



To: Joel Boyd, Superintendent
From: Billie Jo Turner, Assistant Superintendent of Finance/CFO
RE: Fair Student Funding Update
Date: February 26, 2021

Lowell Public Schools implemented Fair Student Funding during the FY20/21 budget cycle. Through FSF, school based budgets are now determined by the needs of the students in a school – not a pre-determined staffing model. The goals during this first year were to increase equity through a weighted system of funding, increase transparency using clear and easily understood rules and create a flexible system in which autonomy is balanced with accountability. Through this approach, the people closest to our children - parents, teachers, principals and support staff - are now positioned to make decisions about the school's educational and financial plans. In our 2nd year of using FSF, we have added the fourth goal of ensuring a stable and sustainable system by providing predictable allocations to support school and district multi-year strategic goals.

With FSF, school budgets are determined using enrollment and demographics to build the per pupil weights that feed the overall school allocation amount. Our enrollment projections show a decrease of approximately 260 students for the FY21/22 school year. Despite this decrease in projected enrollment, we are recommending an increase to the school based pool (SBB) of \$4 million (\$2 million from the additional Chapter 70 dollars and \$2 million from the ESSER II dollars). If approved, the total increase from the original SBB pool for FY20/21 to the FY21/22 pool would be approximately 10.9 million. The original figure was \$137.7 million with a subsequent \$2 million increase approved by the School Committee. An additional \$4.9 million was eventually added to the average salaries used in the school budget workbooks to accurately reflect the step increases and raises that were contractually obligated. That \$6.9 million increase from last year plus the \$4 million increase recommended for this upcoming budget year totals the \$10.9 million increase reflected on slide 5 of the attached presentation.

We seek a vote from the School Committee to proceed with both the \$2 million increase from Chapter 70 funds and a \$2 million increase from ESSER II funds so that we can complete the budget workbooks that are scheduled to be released to schools on March 5th. This additional investment will raise the 67% invested directly into schools to 69% for FY21/22. A full ESSER II plan for the \$17.9 million allocation will be brought before the School Committee at a later date. At this time, we need to approve allowing the schools to utilize \$2 million as part of their planning process. Guardrails and policies will be included in the FSF documentation stating how they are allowed to spend such funds. The \$4 million requested increase is only a portion of what is needed to support schools with overcoming learning loss in upcoming years. Increasing the school budgets too much could result in issues resulting from investing one time funds to add staff which creates sustainability challenges in future years. Beyond this initial allocation, other significant strategic investments are currently being analyzed including:

- Extended learning time
- School based interventions
- Professional Development
- Districtwide support for schools

The final recommendation on the full ESSER II plan will be forthcoming and presented at a later school committee meeting.

The additional investment into the SBB pool was channeled in through an 18% increase to the base weight that each child receives increasing the \$4,500pp from FY20/21 to \$5,300pp in FY21/22. Weights for students from low income families, performance needs, English learners, students with disabilities and priority grades were all increased due to their direct ratio to the base weight or a direct increase to the per student amount. In addition to these weights, we added a weight for students experiencing homelessness to help with the needs of the transient population.

Combining these weights with additional policies will help us to continue to prioritize equity while maintaining stability. Equity is gained through base weights for each student plus any additional weights based on the student needs. Policies ensure that we maintain stability throughout this process. The baseline service policy was developed by our staff to ensure that all schools are able to provide a minimum level of service. The details of our baseline policy can be found in the appendix of the attached presentation. The transition policies ensure that schools do not see large swings year over year. For instance, we have implemented two policies to avoid these swings: 1) no school is allowed to lose on a total budget through a per pupil or FTE amount basis and 2) school gains are capped at 4% gain per pupil.

With the changes implemented to our FSF model this year, we have increased our base weight allocation from \$65 to \$75 million and our need based weights from \$63 million to \$67 million. Some changes to need based weights include an increase to economically disadvantaged elementary students, an increase to special education general and an increase to special education sub separate. We decreased our general ed baseline policy by \$1 million by removing the social worker and literacy specialists from the bare minimum models. The transition policy (otherwise known as hold harmless) portion of funding was reduced by over \$6 million due to an increase in equity. Despite nearly all schools showing an enrollment decline, each school shows an increase to their individual budgets for FY21/22 resulting in a per pupil change as well.

In the appendix of the presentation, we have answered questions that were asked by the School Committee on 2/22/21. A summary of the discussed budget adjustments is included with notes showing whether or not the costs were recurring and whether or not the cost impacted school reopening. Other slides in the appendix show details relevant to the Fair Student Funding budgeting process. Slide 17 shows our baseline minimums for general education. Slides 18 and 19 show other criteria used in our weights and baseline policies. Slide 20 is a summary of all enrollment changes at the schools.